

Senate Bill No. 247

CHAPTER 465

An act to amend Sections 18600, 18602, 18613, 18618, 18646, 18706, 18711, 18822, 18824, 18880, and 18882 of, to add Sections 18602.5 and 18828 to, and to repeal Section 18603 of, the Business and Professions Code, relating to the Boxing Act.

[Approved by Governor September 26, 2006. Filed with
Secretary of State September 26, 2006.]

LEGISLATIVE COUNSEL'S DIGEST

SB 247, Perata. The Boxing Act.

Existing law, the Boxing Act, creates the State Athletic Commission and makes it responsible for licensing and regulating boxing, kickboxing, and martial arts matches. A violation of the act is a crime.

Existing law gives the commission specified duties and powers, including requiring the commission to appoint an executive officer. Under existing law, the provisions creating the commission become inoperative on July 1, 2006, and are repealed on January 1, 2007. Existing law also provides for the Boxers' Pension Fund, a continuously appropriated fund, into which contributions to the boxers' pension plan are deposited.

This bill would provide that the Boxing Act may also be referred to as the State Athletic Commission Act. The bill would, as of January 1, 2007, reestablish the commission and provide for the appointment of an executive officer, and would make these provisions inoperative and repeal them on July 1, 2009, and January 1, 2010, respectively. The bill would provide for the bureau chief on December 31, 2006, to serve in the executive officer position through June 30, 2007, and would specify the appointment procedure for that position. The bill would decrease the membership of the commission to 7 and would revise the composition and membership requirements for the commission.

Existing law requires the commission to furnish annually to the Senate Committee on Business and Professions and the Assembly Committee on Governmental Organization a report indicating the amount of assessment collected from each promoter and the purposes for which the moneys were expended.

This bill would instead require the commission, on or before July 30, 2010, to make a specified report to the Governor and the Legislature on the condition of the State Athletic Commission Neurological Examination Account and the Boxers' Pension Fund. The bill would also require the commission to adopt and then submit to the Governor and the Legislature a strategic plan with specified information by September 30, 2008, a report on the status of the adoption of the strategic plan during the next regularly

scheduled sunset review after January 1, 2007, and a report on the implementation of the strategic plan on or before September 30, 2009.

Existing law requires certain physical examinations to be made upon an athlete regulated by the act as a condition of licensure and prior to a contest or match.

This bill would revise those provisions related to the physical examinations of licensees and contestants, including certain examination requirements, as specified.

Existing law requires every person conducting a contest or wrestling exhibition to, within 72 hours after the determination of a contest or exhibition for which admission is charged and received, furnish the commission with a report under penalty of perjury that includes specified information regarding the receipts and price for the event. Existing law imposes specified fees with respect to athletic contests or matches regulated by the commission, including a fee of up to 5% of the gross price for the sale, lease, or other exploitation of broadcasting or television rights for a contest or wrestling exhibition, with specified exceptions. Existing law also imposes a \$1 per ticket fee for persons admitted free of charge if the complimentary passes exceed 25% of the total number of spectators.

This bill would instead require the report by a person conducting a contest or wrestling exhibition to be made within 5 working days of the event. The bill would require that the fee of up to 5% of the gross price paid for the broadcasting rights be no less than \$1,000 or more than \$25,000, would allow the commission to promulgate regulations to periodically update the amount of the fee, as specified, raise to 33% the number of spectators that may be admitted free of charge without paying the additional fee, and would make other related changes. The bill would require fees for a contest in excess of \$70,000 to be paid to the commission and the Boxer's Pension Fund, if certain conditions exist. The bill would allow the commission to enter into a contract to sanction, supervise, or provide other services for a contest under the act for which these fees do not apply only if the contract provides for appropriate compensation to the commission. The bill would also limit the administrative costs associated with the Boxers' Pension Fund to no more than 20% of the average annual contribution to the fund in the previous 2 years, as specified, and would require the commission to report on the impact of this provision during the next regularly scheduled sunset review after January 1, 2007.

Existing law provides that a license under the act may be renewed any time prior to December 31 of the year it was issued.

This bill would provide that a license issued on and after January 1, 2007, shall expire one year from the date of issue, and would provide for additional requirements for license renewal.

Because this bill would revise certain requirements of the act, the violation of which would be a crime, it would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

The people of the State of California do enact as follows:

SECTION 1. Section 18600 of the Business and Professions Code is amended to read:

18600. This chapter shall be known and may be cited as the Boxing Act or the State Athletic Commission Act.

Whenever a reference is made to the Boxing Act or the State Athletic Commission Act by the provisions of any statute, it is to be construed as referring to the provisions of this chapter.

SEC. 2. Section 18602 of the Business and Professions Code is amended to read:

18602. (a) Except as provided in this section, there is in the Department of Consumer Affairs the State Athletic Commission, which consists of seven members. Five members shall be appointed by the Governor, one member shall be appointed by the Senate Rules Committee, and one member shall be appointed by the Speaker of the Assembly.

The members of the commission appointed by the Governor are subject to confirmation by the Senate pursuant to Section 1322 of the Government Code.

No person who is currently licensed, or who was licensed within the last two years, under this chapter may be appointed or reappointed to, or serve on, the commission.

(b) In appointing commissioners under this section, the Governor, the Senate Rules Committee, and the Speaker of the Assembly shall make every effort to ensure that at least four of the members of the commission shall have experience and demonstrate expertise in one of the following areas:

(1) A licensed physician or surgeon having expertise or specializing in neurology, neurosurgery, head trauma, or sports medicine. Sports medicine includes, but is not limited to, physiology, kinesiology, or other aspects of sports medicine.

(2) Financial management.

(3) Public safety.

(4) Past experience in the activity regulated by this chapter, either as a contestant, a referee or official, a promoter, or a venue operator.

(c) Each member of the commission shall be appointed for a term of four years. All terms shall end on January 1. Vacancies occurring prior to the expiration of the term shall be filled by appointment for the unexpired term. No commission member may serve more than two consecutive terms.

(d) Notwithstanding any other provision of this chapter, members first appointed shall be subject to the following terms:

(1) The Governor shall appoint two members for two years, two members for three years, and one member for four years.

(2) The Senate Committee on Rules shall appoint one member for four years.

(3) The Speaker of the Assembly shall appoint one member for four years.

(4) The appointing powers, as described in subdivision (a), may appoint to the commission a person who was a member of the prior commission prior to the repeal of that commission on July 1, 2006.

(e) This section shall become inoperative on July 1, 2009, and as of January 1, 2010, is repealed, unless a later enacted statute, which becomes operative on or before January 1, 2010, deletes or extends the dates on which it becomes inoperative and is repealed. The repeal of this section renders the commission subject to the review required by Division 1.2 (commencing with Section 473).

SEC. 3. Section 18602.5 is added to the Business and Professions Code, to read:

18602.5. (a) The commission shall adopt and submit a strategic plan to the Governor and the Legislature on or before September 30, 2008. The commission shall also submit a report to the Governor and the Legislature on the status of the adoption of the strategic plan during the commission's next regularly scheduled sunset review after January 1, 2007. The strategic plan shall include, but shall not be limited to, efforts to resolve prior State Athletic Commission deficiencies in the following areas:

(1) Regulation of the profession, what fees should be paid for this regulation, and the structure and equity of the fees charged.

(2) The effect and appropriateness of contracts made pursuant to Section 18828.

(3) Costs to train ringside physicians, referees, timekeepers, and judges.

(4) Steps that need to be taken to ensure sufficient sources of revenue and funding.

(5) Necessity for review and modification of organizational procedures, the licensing process, and the complaint process.

(6) Outdated information technology.

(7) Unorganized and improper accounting.

(8) Miscalculations at events, a lack of technology to record proper calculations, and funding issues.

(9) The health and safety of the participants and the public in attendance at events regulated under this chapter, including costs of examinations under Section 18711.

(b) The commission shall solicit input from the public, the State Auditor, the Little Hoover Commission, the Center for Public Interest Law, and others as necessary in preparing and adopting the strategic plan.

(c) The commission shall report on progress in implementing the strategic plan to the Director of Consumer Affairs, the Governor, and the Legislature on or before September 30, 2009.

SEC. 4. Section 18603 of the Business and Professions Code is repealed.

SEC. 5. Section 18613 of the Business and Professions Code is amended to read:

18613. (a) (1) To assure the continuity and stable transition as the commission is reformed on January 1, 2007, the person serving as the bureau chief on December 31, 2006, shall serve as the executive officer beginning January 1, 2007, for a term through June 30, 2007. On or before June 30, 2007, but not earlier than June 1, 2007, the commission shall determine whether to retain the services of the person who was serving as the bureau chief on December 31, 2006, or to follow the procedure set forth in paragraph (2) of this subdivision to appoint a new executive officer. During the period between January 1, 2007, and June 30, 2007, any inconsistent provisions of this section notwithstanding, the executive officer may be terminated for cause upon the affirmative vote of a majority of the members of the commission.

(2) The commission shall appoint a person exempt from civil service who shall be designated as an executive officer and who shall exercise the powers and perform the duties delegated by the commission and vested in him or her by this chapter. The appointment of the executive officer is subject to the approval of the Director of Consumer Affairs.

(3) The commission may employ in accordance with Section 154 other personnel as may be necessary for the administration of this chapter.

(b) This section shall become inoperative on July 1, 2009, and, as of January 1, 2010, is repealed, unless a later enacted statute, which becomes effective on or before January 1, 2010, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 6. Section 18618 of the Business and Professions Code is amended to read:

18618. The commission shall furnish to the Governor and the Legislature a report, on or before July 30, 2010, on the following:

(a) The condition of the State Athletic Commission Neurological Examination Account. This report shall include the amount of the assessment collected from each promoter pursuant to Section 18711, the purposes for which moneys in the account are expended, and findings and recommendations on the amounts, appropriateness, and effectiveness of these assessments. The report shall also include a recommendation on the viability and need for creating a medical database that would be used for identifying trends in medical records and data associated with injuries and deaths related to competing.

(b) The condition of the Boxers' Pension Fund. This report shall include a recommendation on whether the fund should be continued and, if so, whether it should be expanded to include all athletes licensed under this chapter and appropriate fees paid into the fund.

SEC. 7. Section 18646 of the Business and Professions Code is amended to read:

18646. (a) This chapter applies to all amateur boxing, wrestling, and full contact martial arts contests.

(b) The commission may, however, authorize a nonprofit boxing, wrestling, or martial arts club or organization, upon approval of its bylaws, to administer its rules for amateur boxing, wrestling, and full contact martial arts contests, and may, therefore, waive direct commission application of laws and rules, including licensure, subject to the commission's affirmative finding that the standards and enforcement of similar rules by that club or organization meet or exceed the safety and fairness standards of the commission. The commission shall review the performance of any such club or organization annually.

(c) Every contest subject to this section shall be preceded by a physical examination, specified by the commission, of every contestant. A physician shall be in attendance at the contest. There shall be a medical insurance program satisfactory to the commission provided by the amateur club or organization in effect covering all contestants. The commission shall review compliance with these requirements.

(d) Any club or organization which conducts, holds, or gives amateur contests pursuant to this section, which collects money for the event, shall furnish a written financial report of receipts and disbursements within 90 days of the event.

(e) The commission has the right to have present without charge or restriction such representatives as are necessary to obtain compliance with this section.

(f) The commission may require any additional notices and reports it deems necessary to enforce the provisions of this section.

SEC. 8. Section 18706 of the Business and Professions Code is amended to read:

18706. (a) Not later than at the weigh-in time, which shall be not more than 30 hours prior to the beginning of the first event, the physician provided for in Section 18705 shall conduct a physical examination of the contestant and certify in writing as to the contestant's physical condition to engage in the contest or match.

(1) The commission shall make the contestants' medical records available to the physician and the physician shall review the contestant's medical records as part of the certification of the contestant's physical condition.

(2) The physician shall determine whether the contestant may have any knowledge, manifestations, symptoms, or prior history of a physical condition that may affect the contestant's ability to perform or present a potential threat to the contestant's health as a result of competing in the contest or match. The contestant shall complete a questionnaire developed by the commission. The contestant shall be asked to disclose on the questionnaire any conditions of which the contestant is aware, including, but not limited to, any of the following:

- (A) Significant weight gain or loss and any change in weight in the seven days prior to the contest.
- (B) Neuromuscular condition, including peripheral nerves, muscle problems, and brain problems.
- (C) Pregnancy.
- (D) Bone fractures and all forms of arthritis.
- (E) Any condition related to vision or changes in hearing function.
- (F) Heart condition or other cardiovascular condition.
- (G) Pulmonary or respiratory condition.
- (H) Renal or urological condition.
- (I) Hematological condition, including manifestations of any unusual bleeding or bruising.

If any condition is disclosed under this paragraph, the physician shall not allow the contestant to compete unless the physician or, at the contestant's discretion, the contestant's personal physician, who is licensed to practice medicine in the United States, has conducted a physical examination and determined that the specific condition does not affect the contestant's ability to perform or present a potential threat to the contestant's health as a result of competing in the contest or match.

(3) The questionnaire shall be developed by the commission through promulgated regulations in consultation with qualified medical professionals.

(4) Nothing in this chapter may be construed to require a contestant to submit to a pregnancy test.

(b) On the day of the event, and no later than one hour before the contestants enter the ring, the physician provided for in Section 18705 shall conduct a brief reexamination and certify in writing as to the contestant's physical condition to engage in the contest or match. This reexamination shall include an evaluation of any significant changes since the physical examination provided under subdivision (a).

(c) A report of the medical examinations shall be filed with the commission not later than 24 hours after the termination of the contest or match. The physician's report of the examination shall include specific mention as to the condition of the contestant's heart, nerves and brain.

SEC. 9. Section 18711 of the Business and Professions Code is amended to read:

18711. (a) (1) (A) The commission shall require, as a condition of licensure and as a part of the application process, the examination by a licensed physician and surgeon who specializes in neurology and neurosurgery of each applicant for a license as a professional athlete or contestant licensed under this chapter or, if for the renewal of a license, this examination every year, in addition to any other medical examinations.

(i) Upon initial licensure, the examination shall include tests and examinations designed to detect physical conditions that could place the athlete or contestant at risk for serious injury or permanent or temporary impairment of any bodily function. These tests or examinations shall

include, but not be limited to, a neurological examination or a neuro-psychological examination, a brain imaging scan, and an electrocardiogram (EKG). The physician may recommend any additional tests or evaluations he or she deems necessary.

(ii) For renewal of a license, the physician shall determine the tests or evaluations necessary, if any.

(iii) The commission may require an athlete or contestant licensed under this chapter to undergo additional neurological tests where, based on the totality of the athlete's or contestant's records, it appears the athlete or contestant may be at risk of cognitive impairment.

(iv) On the basis of a physical examination under this subdivision, and any additional tests that are conducted, the physician may recommend to the commission whether the applicant may be permitted to be licensed in California or not. The executive officer shall review these recommendations and report any denials of licensure. If, as a result of these recommendations, the executive officer refuses to grant the applicant a license or to renew a license, the applicant shall not compete in California until the denial has been overruled by the commission as provided in this chapter.

(v) The commission may waive the requirement for a brain imaging scan or an EKG if a brain imaging scan or EKG was completed as part of the licensing requirements in another state, the commission determines that this brain imaging scan or EKG creates a reliable baseline for the athlete or contestant, and the commission has been provided with a copy of the brain imaging scan or EKG reports.

(vi) This subparagraph shall become inoperative on the date the regulations adopted by the commission pursuant to subparagraph (B) become operative.

(B) On and after January 1, 2008, all professional athletes licensed under this chapter shall be required by the commission to complete a medical examination process, which shall include the completion of specific medical examinations, to be determined by the commission through regulations, as a condition of initial licensure and license renewal. This medical examination process may include examinations required under current law and any additional medical examinations determined to be medically necessary. In adopting the medical examination process, the commission shall consider the health and safety of contestants, the medical necessity of any examinations required, and the financial aspects of requiring those medical examinations.

(2) In the absence of any pertinent untoward medical event, the commission may, in its discretion, on forms prescribed by the commission, accept tests or evaluations that are equivalent to those described in paragraph (1) and that have been completed within one year of licensure to meet the requirements of this subdivision.

(3) (A) Any medical records obtained, reviewed, or created under this chapter shall be utilized only for purposes of administering this chapter. The commission and any physician may not disclose the athlete's medical

records without a signed authorization from the athlete, except that the commission may disclose those records to other state licensing boards and commissions to which the athlete has applied for licensure or has an enforcement action pending, or upon court order in a criminal or civil action.

(B) After the adoption of regulations to establish a process for participating in medical research studies, the commission may use medical information for purposes of participating in medical research studies of the effects on the human body of contests and exhibitions regulated under this chapter. However, medical information shall not include any personal identifying information on any contestant, including, but not limited to, the contestant's name, address, telephone number, social security number, license number, federal identification number, or any other information identifying the contestant. The medical information shall only be provided if the licensed athlete has consented in writing to participating in the research study. The regulations adopted by the commission shall include a process to ensure that no conflicts of interest arise regarding which medical examinations are required to be completed by contestants.

(b) If an applicant for licensure as a professional athlete under this chapter undergoes a neurological examination for purposes of licensure within the 120-day period immediately preceding the normal expiration of that license, the applicant shall not be required to undergo an additional neurological examination within the following 12 consecutive month license period unless the commission, for cause, orders that the examination be taken. The commission shall notify all commission approved physicians and referees that the commission has the authority to order any professional athlete to undergo a neurological examination.

(c) The cost of the examinations required by this section shall be paid from assessments on any one or more of the following: promoters of professional matches, managers, and professional athletes or other contestants licensed under this chapter. The rate and manner of assessment shall be set by the commission, and may cover all costs associated with the requirements of this section. This assessment shall be imposed on all contests approved by the commission under this chapter. As of July 1, 1994, all moneys received by the commission pursuant to this section shall be deposited in and credited to the State Athletic Commission Neurological Examination Account which is hereby created in the General Fund.

(d) Whenever a reference is made to the Boxers' Neurological Examination Account, it is to be construed as referring to the State Athletic Commission Neurological Examination Account.

SEC. 10. Section 18822 of the Business and Professions Code is amended to read:

18822. (a) For licenses issued before January 1, 2007, a license may be renewed at any time prior to midnight on December 31 of the year in which it was issued. If not renewed, the license shall expire at that time.

(b) A license issued on or after January 1, 2007, shall expire 12 months after issuance, on the last day of the 12th month. To renew an unexpired license, the licenseholder shall, on or before midnight of the day on which the license would otherwise expire, apply for renewal on a form prescribed by the commission and pay the prescribed renewal fee. If the licenseholder is a boxer or martial arts contestant, the renewal application shall also be accompanied by the required medical examinations and test results. Renewal of an unexpired license shall continue the license in effect for one year from the expiration date of the license, when it shall again expire if it is not renewed.

SEC. 11. Section 18824 of the Business and Professions Code is amended to read:

18824. (a) Except as provided in Sections 18646 and 18832, every person who conducts a contest or wrestling exhibition shall, within five working days after the determination of every contest or wrestling exhibition for which admission is charged and received, furnish to the commission the following:

(1) A written report executed under penalty of perjury by one of the officers, showing the amount of the gross receipts, not to exceed two million dollars (\$2,000,000), and the gross price for the contest or wrestling exhibition charged directly or indirectly and no matter by whom received, for the sale, lease, or other exploitation of broadcasting and television rights of the contest or wrestling exhibition, and without any deductions, except for expenses incurred for one broadcast announcer, telephone line connection, and transmission mobile equipment facility, which may be deducted from the gross taxable base when those expenses are approved by the commission.

(2) A fee of 5 percent, exclusive of any federal taxes paid thereon, of the amount paid for admission to the contest or wrestling exhibition, except that for any one contest, the fee shall not exceed the amount of one hundred thousand dollars (\$100,000). The commission shall report to the Joint Committee on Boards, Commissions, and Consumer Protection on the fiscal impact of the one hundred thousand dollar (\$100,000) limit on fees collected by the commission for admissions revenues.

(A) The amount of the gross receipts upon which the fee provided for in paragraph (2) is calculated shall not include any assessments levied by the commission under Section 18711.

(B) (i) If the fee for any one boxing contest exceeds seventy thousand dollars (\$70,000), the amount in excess of seventy thousand dollars (\$70,000) shall be paid one-half to the commission and one-half to the Boxers' Pension Fund.

(ii) If the report required by subdivision (b) of Section 18618 recommends that the Boxers' Pension Fund shall be expanded to include all athletes licensed under this chapter, the commission, by regulation, shall require, for all contests where the fee exceeds seventy thousand dollars (\$70,000), the amount in excess of seventy thousand dollars (\$70,000) shall be paid one-half to the commission and one-half to the

Boxers' Pension Fund only if all athletes licensed under this chapter are made eligible for the Boxers' Pension Fund.

(C) The fee shall apply to the amount actually paid for admission and not to the regular established price.

(D) No fee is due in the case of a person admitted free of charge. However, if the total number of persons admitted free of charge to a boxing, kickboxing, or martial arts contest, or wrestling exhibition exceeds 33 percent of the total number of spectators, then a fee of one dollar (\$1) per complimentary ticket or pass used to gain admission to the contest shall be paid to the commission for each complimentary ticket or pass that exceeds the numerical total of 33 percent of the total number of spectators.

(E) The minimum fee for an amateur contest or exhibition shall not be less than five hundred dollars (\$500).

(3) A fee of up to 5 percent, to be established by the commission through regulations to become operative on or before July 1, 2008, and updated periodically as needed, of the gross price, exclusive of any federal taxes paid thereon, for the sale, lease, or other exploitation of broadcasting or television rights thereof, except that in no case shall the fee be less than one thousand dollars (\$1,000) or more than twenty-five thousand dollars (\$25,000).

(b) As used in this section, "person" includes a promoter, club, individual, corporation, partnership, association, or other organization, and "wrestling exhibition" means a performance of wrestling skills and techniques by two or more individuals, to which admission is charged or which is broadcast or televised, in which the participating individuals are not required to use their best efforts in order to win, and for which the winner may have been selected before the performance commences.

SEC. 12. Section 18828 is added to the Business and Professions Code, to read:

18828. (a) The commission may enter into a contract to sanction, supervise, or provide other services for contests under this chapter for which the fees under this chapter do not apply only if the contract provides for a payment to the commission for reasonable and necessary services provided under the contract.

(b) It is the intent of the Legislature that payment under subdivision (a) shall include the following:

(1) Consideration of costs incurred by the commission.

(2) A contribution into the Boxers' Pension Fund of not less than 20 percent of the commission's costs under paragraph (1).

(3) A contribution into the State Athletic Commission Neurological Examination Account of not less than 20 percent of the commission's costs under paragraph (1).

(c) A contestant's participation in a contest subject to this section shall be deemed to be a commission-approved contest for purposes of participation in the Boxers' Pension Plan.

SEC. 13. Section 18880 of the Business and Professions Code is amended to read:

18880. (a) The Legislature finds and declares all of the following:

(1) That professional athletes licensed under this chapter, as a group, for many reasons, do not retain their earnings, and are often injured or destitute, or both, and unable to take proper care of themselves, whether financially or otherwise, and that the enactment of this article is to serve a public purpose by making provisions for a needy group to insure a modicum of financial security for professional athletes.

(2) Athletes licensed under this chapter may suffer extraordinary disabilities in the normal course of their trade. These may include acute and chronic traumatic brain injuries, resulting from multiple concussions as well as from repeated exposure to a large number of subconcussive punches, eye injuries, including retinal tears, holes, and detachments, and other neurological impairments.

(3) The pension plan of the commission is part of the state's health and safety regulatory scheme, designed to protect boxers licensed under this chapter from the health-related hazards of their trade. The pension plan addresses those health and safety needs, recognizing the disability and health maintenance expenses those needs may require.

(4) The regulatory system of California is interrelated with the conduct of the trade in every jurisdiction. Athletes licensed under this chapter participate in contests in other states and many athletes who are based in those other jurisdictions may participate in California on a single-event basis.

(5) The outcomes and natures of fights in other jurisdictions are relevant to California regulatory jurisdiction and are routinely monitored for health and safety reasons, so that, for example, a knockout of an athlete licensed under this chapter in another jurisdiction is paid appropriate heed with respect to establishing a waiting period before that athlete may commence fighting in California.

(6) The monitoring of other jurisdictions is an integral part of the health and safety of California athletes licensed under this chapter due to the interstate nature of the trade, and therefore the regulatory scheme for contests and athletes under this chapter should reflect this accordingly.

(b) The provisions of this article pertain only to professional boxers licensed under this chapter.

SEC. 14. Section 18882 of the Business and Professions Code is amended to read:

18882. (a) At the time of payment of the fee required by Section 18824, a promoter shall pay to the commission all amounts scheduled for contribution to the pension plan. If the commission, in its discretion, requires pursuant to Section 18881, that contributions to the pension plan be made by the boxer and his or her manager, those contributions shall be made at the time and in the manner prescribed by the commission.

(b) All contributions to finance the pension plan shall be deposited in the State Treasury and credited to the Boxers' Pension Fund, which is hereby created. Notwithstanding the provisions of Section 13340 of the Government Code, all moneys in the Boxers' Pension Fund are hereby

continuously appropriated to be used exclusively for the purposes and administration of the pension plan.

(c) The Boxers' Pension Fund is a retirement fund, and no moneys within it shall be deposited or transferred to the General Fund.

(d) The commission has exclusive control of all funds in the Boxers' Pension Fund. No transfer or disbursement in any amount from this fund shall be made except upon the authorization of the commission and for the purpose and administration of the pension plan.

(e) Except as otherwise provided in this subdivision, the commission or its designee shall invest the money contained in the Boxers' Pension Fund according to the same standard of care as provided in Section 16040 of the Probate Code. The commission has exclusive control over the investment of all moneys in the Boxers' Pension Fund. Except as otherwise prohibited or restricted by law, the commission may invest the moneys in the fund through the purchase, holding, or sale of any investment, financial instrument, or financial transaction that the commission in its informed opinion determines is prudent.

(f) The administrative costs associated with investing, managing, and distributing the Boxers' Pension Fund shall be limited to no more than 20 percent of the average annual contribution made to the fund in the previous two years, not including any investment income derived from the corpus of the fund. Diligence shall be exercised by administrators in order to lower the fund's expense ratio as far below 20 percent as feasible and appropriate. The commission shall report to the Joint Committee on Boards, Commissions, and Consumer Protection on the impact of this provision during the next regularly scheduled sunset review after January 1, 2007.

SEC. 15. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.